

Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15 STR-04
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00
OMB-01 OIC-02 AF-10 ARA-10 EA-07 EUR-12 /138 W
-----048527 091410Z /46

R 091101Z AUG 77
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 3970
INFO USMISSION GENEVA

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USMTN

E.O. 11652: N/A
TAGS: ETRD, GATT, IR
SUBJECT: NOTIFICATIONS OF SERVICES RESTRAINTS IN
THE MTN.

REF: STATE 180211

1. PERTINENT RULES PROVIDE THAT GOVERNMENT IMPORTS AND ALL OTHER IMPORTS INTO IRAN COVERED BY LETTERS OF CREDIT MUST BE LOCALLY INSURED. ALTHOUGH IN MOST CASES THE DECISION ON HOW TO PAY FOR IMPORTS FALLING IN THE LATTER GROUP IS UP TO THE BUYER AND SELLER, IN PRACTICE ABOUT 65 PERCENT OF ALL SUCH IRANIAN IMPORTS CURRENTLY ARE BROUGHT IN UNDER LETTERS OF CREDIT. THE GOVERNMENT'S POLICY IS INTENDED TO PROMOTE THE GROWTH OF THE LOCAL INSURANCE INDUSTRY AND IS NONDISCRIMINATORY IN ITS TREATMENT OF NON-IRANIAN INSURANCE COMPANIES. THE EMBASSY DOUBTS THAT THIS POLICY WILL BE EASILY REVERSED.

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2. IN VIEW OF THE ABOVE, HOWEVER, U.S. INSURANCE COMPANIES NOT INVOLVED IN LOCAL JOINT VENTURES NECESSARILY LOSE ANY OPPORTUNITY TO COMPETE FOR A LARGE PART OF IRANIAN IMPORTS, IN PARTICULAR FOR THE 50 PERCENT OR SO OF ALL IRANIAN IMPORTS PURCHASED BY THE PRIVATE SECTOR. ACCORDING TO THE U.S. DEPARTMENT OF COMMERCE, U.S. EXPORTS TO IRAN IN 1976 WERE

VALUED AT \$2.8 BILLION. AT LEAST THREE U.S. INSURANCE
FIRMS ARE BELIEVED TO HAVE JOINT VENTURES IN IRAN
AT PRESENT.

3. THE EMBASSY IS NOT AWARE OF ANY SIMILAR RESTRAINTS
IN THE SERVICE SECTOR WITH THE EXCEPTION OF THE POLICY
OF THE IRANIAN GOVERNMENT TO REQUIRE OF BIDDERS ON
GOVERNMENT PROJECTS THAT THEY FURNISH BANK GUARANTEES
INVOLVING STANDBY LETTERS OF CREDIT. THE ALTERNATIVE
OF OFFERING SURETY BONDS WHICH WOULD BE MORE ADVANTAGEIOUS
TO U.S. COMPANIES IS NOT NORMALLY PRESENT. THE RESULT
HAS BEEN TO INHIBIT BIDDING ON LARGE PROJECTS BY SOME
AMERICAN COMPANIES WHICH IS BASED ON TRADITIONAL
PROCEDURES. AGAIN, HOWEVER, THE IRANIAN POLICY IS
NONDISCRIMINATORY AND HURTS U.S. COMPANIES PRIMARILY
BECAUSE OF U.S. LAWS AND REGULATIONS. THERE HAVE
BEEN SOME INDICATIONS, HOWEVER, THAT THE GOVERNMENT
OF IRAN MIGHT BE INCLINED TO BE MORE FLEXIBLE ON
THIS REQUIREMENT.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, IMPORTS, LETTERS OF CREDIT, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TEHRAN07062
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770286-0246
Format: TEL
From: TEHRAN USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770879/aaaacped.tel
Line Count: 82
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 31c6bf5d-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 180211
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1654382
Secure: OPEN
Status: NATIVE
Subject: NOTIFICATIONS OF SERVICES RESTRAINTS IN THE MTN.
TAGS: ETRD, IR, US, GATT
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/31c6bf5d-c288-dd11-92da-001cc4696bcc
Review Markings:
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